PHILADELPHIA

Update

Official Publication of Teamsters Health & Welfare and Pension Funds of Philadelphia and Vicinity

www.teamsterfunds.com

August 2007

Important Notice Regarding Health & Welfare Plan Changes

Health & Welfare Fund Changes. . Pgs 2 & 3

- *Relaxation of Eligibility requirements*
- *Lowering of yearly deductible under the PPO Medical Program*
- *Increase in benefit allowances for certain dental procedures*
- *Increase in the benefit allowance for bi-annual vision examination*
- *Prescription drug program benefits subject to patient's $2 Million lifetime maximum*

This Notice constitutes a summary of material modification, or SMM , that you should attach to your current Plan Booklet

Also in this Issue . . . . .

- ***Annual notice regarding post-mastectomy reconstructive surgery benefits***
- ***HIPAA Privacy Notice***
- ***Summary Annual Reports for the Health & Welfare and Pension Funds***
- ***Annual Funding Notice for the Pension Fund***

Trustees Make Several Benefit Plan Improvements

At their recent Annual Meeting, the Fund's Board of Trustees approved several changes and improvements to the Health and Welfare Plan.

In announcing the benefit improvements, Trustee Paul Cardullo remarked, "Our members took a hit and stuck with us when the Fund had to make benefit adjustments in the last two years that increased their out-of-pocket costs. Now it's our turn to do everything we can to improve benefits as fast as the Fund can afford to do so."

Trustee Bill Hamilton emphasized that, "Members are having a difficult time achieving and maintaining eligibility at the increased requirement of 18 days. I am pleased that we were able to relax the eligibility back to the 15-day level that was in effect for many decades up through February 2006. Hopefully, the hardships that our members experienced over the last 18 months with regard to eligibility will be gone when the new schedule takes effect with eligibility for the month of October 2007."

Tony Volpe, the Union Trustee from Local 470, added, "These latest improvements emphasize the commitment of the entire Board of Trustees to continue to improve benefits and minimize participant out-of-pocket expense to the greatest extent possible in a responsible, financially, prudent manner."

Specific details of these benefit improvements are as follows:

Eligibility Requirements

Effective with eligibility for the month of October 2007, the eligibility requirements will be relaxed to require 15, rather than 18, days in a qualifying month or 180 days, rather than 216 days in a qualifying year, to be eligible for benefits in a subsequent benefit month.

For example, to be eligible for benefits in August 2007, a member needed to work at least 18 days in the month of June 2007 or 216 days from July 1, 2006 through June 30, 2007 (this lag is necessary because the hours you may work in June are not reported to the Fund until the end of July, and are then used to determine eligibility for the coming month, i.e., August). With the change approved by the Trustees, beginning with the month of October 2007, a member will need to work at least 15 days in August (or 180 days during September 2006 through August 2007) to be eligible.

Members whose employers, under the terms of the collective bargaining agreement, remit a monthly premium to the Fund are not affected by this change, nor were they affected when the eligibility changed from 15/180 to 18/216 days last year.

Members having any questions concerning their eligibility should call the Fund office at 1-800-523-2846.

PPO Yearly Deductible

Effective September 1, 2005, for those participants having coverage under the Fund's Preferred Provider Organization (PPO) medical program, a yearly individual and family deductible was put in place. The yearly patient deductible was $250 per person, per year, subject to a family maximum of $500 per year.

Effective with the Plan Year beginning January 1, 2008, the yearly patient deductible under the PPO program will be reduced to $225 per patient, per year, subject to a family maximum of no more than $450 per year.

The "deductible carry over" provisions remain in effect. Under those provisions, any part of a patient's individual deductible that is satisfied during the last three months of the Plan Year (i.e., October, November, December) is used not only to satisfy that current year's deductible, but, in addition, carries over into the next year and will be used to satisfy the following year's individual patient deductible.

Early next year, up-to-date accumulators of a patient's yearly medical deductible and coinsurance will be available on the Fund's web site through secured member access. If you have not already registered on the Fund's web site, we encourage you to do so. Go to www.teamsterfunds.com, click on "For Members," then click on "Secured Member Access," and then "Registration."

Benefit Changes . . .continued . . .

Bi-Annual Vision Exam Allowance

Effective with services rendered on and after July 1, 2007, the vision exam allowance (available once every 24 months), increased from $35 per exam to $40 per exam.

Dental Expense Benefits

The following procedures have been approved for the increased allowances listed (before any applicable patient copayment) :

CODE	DESCRIPTION	NEW ALLOWANCE
00120	Periodic Exam	$20.00
00140	Limited Exam	$17.00
00150	Comp Oral Exam	$30.00
02750	Crown Ceramco	$530.00
02751	Crown Proc. Fused Base Single	$530.00
02752	Proc. Fused Metal Crown	$530.00
02952	Post & Core with Crown	$85.00
02954	Prefab Post & Core	$85.00
05110	Full Upper Denture	$550.00
05120	Full Lower Denture	$550.00
05130	Immediate Full Upper Denture	$550.00
05140	Immediate Full Lower Denture	$550.00
05211	Partial Upper Denture	$550.00
05212	Partial Lower Denture	$550.00
05213	Maxillary Partial Denture	$550.00
05214	Mandibular Partial Den-ture	$550.00
05215	Partial Upper Full Cast	$550.00
05217	Partial Lower Full Cast	$550.00
06240	Pontic Ceramco	$510.00
06241	Pontic Porc. Fused to Metal	$510.00
06242	Pontic Porc. Fused to Noble	$485.00
06750	Abutment Cermaco	$530.00
06751	Crown Porc. fused base metal	$530.00
06752	Porc. Fused Metal Crown/ Bridge	$530.00
07220	Rem. Impacted tooth soft tissue	$70.00
07230	Rem.impacted tooth partial bony	$175.00
07231	Partial Impaction	$175.00
09220	General Anesthesia	$230.00

Attention Health & Welfare Fund Participants:

Annual Notice Regarding Post-Mastectomy Reconstructive Surgery Benefits

As required by the Women's Health and Cancer Rights Act of 1998, the Health & Welfare Fund's Plan provides (as it always has) benefits for mastectomy-related services, including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedemas). For more information, contact the Fund's Member Services Department at 1-800-523-2846.

Prescription Drug Benefits Subject to Patient's $2 Million Lifetime Maximum

At their June 6, 2007 meeting, the Trustees voted to implement a slight change to the prescription drug coverage. Although there are no yearly caps on the prescription drug program either on an individual or family basis, effective with prescriptions filled on and after September 1, 2007, prescription drug claims will be allocated toward, and be subject to, a patient's overall lifetime benefit maximum of $2 Million.

HIPAA Privacy Practices Notice

As is found in your benefit booklet, the Health & Welfare Fund adopted Privacy Practices and Policies as required by the Privacy Regulations under the Health Insurance Portability and Accountability Act. A copy of these Privacy Practices is available at the Fund office or on the Fund's website using this link: **www.teamsterfunds.com/For%20Members/Privacy%20Policy.htm.**

Remember:

The Fund's Member Services staff is available to answer any of your questions concerning your coverage. Beginning October 1st, staff will available an additional seven hours per week to answer your inquiries. The number to call is 1-800-523-2846.

Extended Member Service Call Center Hours to be Implemented October 1, 2007

Beginning Monday, October 1st, Fund participants will be able to reach our Member Services representatives from 7:00 a.m. to 5:00 p.m. on Mondays, Tuesdays, Thursdays and Fridays, and from 8:00 a.m. to 8:00 p.m. on Wednesdays.

On an average day, our Member Services staff fields over 500 phone calls from participants (in addition to processing claims) concerning health and welfare benefits and over 100 calls per day relating to pension coverage. In an effort to alleviate wait times on the telephones and to improve accessibility, the Fund will implement these extended hours on a trial basis.

Have questions? . . . . Make the call — 1-800-523-2846

Teamsters Health & Welfare and Pension Trust Funds
of Philadelphia and Vicinity
6981 N. Park Drive, Suite 400
Pennsauken, NJ 08109

RETURN SERVICE REQUESTED

Pre-Sorted
First Class
U.S. Postage
PAID
A.M.H.

Find us on the World Wide Web at www.teamsterfunds.com

Teamsters Pension Trust Fund
of Philadelphia and Vicinity

6981 N. PARK DRIVE, SUITE 400 • PENNSAUKEN, NJ 08109 • (856) 382-2400
TOLL-FREE 1-800-523-2846 • FAX (856) 382-2401 • www.teamsterfunds.com

SUMMARY ANNUAL REPORT FOR TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA & VICINITY

This is a summary of the Annual Report for the TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA & VICINITY (the “Fund”) (employer identification number 23-1511735) for the plan year ending 12/31/2006. The Annual Report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a trust fund. Plan expenses were $136,624,447. These expenses included $7,141,006 in administrative expenses, $129,308,850 in benefits paid to participants and beneficiaries, and $174,591 in other expenses. A total of 27,190 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was $1,561,047,441 as of the end of the plan year, compared to $1,406,887,569 as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of $154,159,872. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of $290,784,319, including employer contributions of $95,228,571, employee contributions of $0, gains of $25,660,251 from the sale of assets, and earnings from investments of $169,895,497.

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.

3. Assets held for investment.
4. Loans or other obligations in default or classified as uncollectible.
5. Transactions in excess of 5 percent of the plan assets.
6. Actuarial information regarding the funding of the plan.

To obtain a copy of the full annual report, or any part thereof, write or call WILLIAM J. EINHORN, the plan administrator, at 6981 NORTH PARK DRIVE, SUITE 400, PENNSAUKEN, NJ 08109 and phone number, 856-382-2400. The charge to cover copying costs will be $5.00 for the full annual report, or $0.10 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 6981 NORTH PARK DRIVE, SUITE 400, PENNSAUKEN, NJ 08109, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

William J. Einhorn
Plan Administrator

Teamsters Pension Trust Fund
of Philadelphia and Vicinity

6981 N. PARK DRIVE, SUITE 400 • PENNSAUKEN, NJ 08109 • (856) 382-2400
TOLL-FREE 1-800-523-2846 • FAX (856) 382-2401 • www.teamsterfunds.com

August, 2007

Re: **Important Information About Your Pension Plan**

To Participants and Employers:

As first required last year, the Department of Labor mandates that, under a law known as the ***Pension Funding Equity Act of 2004***, we send to all interested parties information in a standard format regarding the funded status of the Teamsters Pension Plan of Philadelphia & Vicinity (the "Plan"). This cover letter attempts to put the attached Annual Funding Notice in perspective, particularly in light of the recent enactment of the ***Pension Protection Act of 2006***.

Pension plans like your Plan are designed to accumulate contributions and invest them before Participants retire so that sufficient assets are available to pay their pensions at retirement. It is critical that your Plan is funded properly to continue providing benefits for Participants at intended levels. The Trustees of your Plan have engaged consultants to ensure that your Plan is adequately funded. Among them are actuaries who certify that the Plan is properly funded under Federal law, utilizing a series of commonly used assumptions regarding items like mortality rates and long-term interest rates that reflect investment performance.

The funded status of a pension plan is commonly expressed as a percentage, reflecting the relationship between the **assets** (contributions plus investments) and **liabilities** (benefits plus operating expenses) of the plan. There are numerous ways in which the funded status can be determined. The Pension Funding Equity Act requires that the funded percentage be calculated one way, but the more recently enacted Pension Protection Act requires a different calculation. ***Under the rules set forth under the more recently enacted Pension Protection Act, the funded percentage of Your Plan as of January1, 2007 would be 79.9%.***

In the enclosed Annual Funding Notice, an interest rate of 5.77% (as prescribed by the IRS under the ***Pension Funding Equity Act***) and the **actuarial** value of assets were used in determining the funded status of Your Plan, resulting in a *lower percentage* than our actuary's calculation under the ***Pension Protection Act***. The IRS-prescribed interest rate of 5.77% is significantly below the 7.50% long-term interest rate used by the Plan's actuary.

The enclosed notice makes reference to special rules governing "insolvent plans." Your plan is not financially troubled, and is not subject to these requirements.

The Teamsters Pension Plan of Philadelphia & Vicinity has been providing benefits for Plan Participants without interruption for over 45 years. In 2006, benefit payments totaling $129.3 million were paid to approximately 12,900 retired Participants and beneficiaries. The Trustees of the Plan have remained committed to operating your Plan on a financially sound basis and meeting all Federal funding requirements, with the goal of providing benefits to enable Plan Participants the ability to attain a secure financial future.

If you have any questions, please contact the Pension Benefits Department by calling the Fund office at either (800) 523-2846 or (856) 382-2400.

Annual Funding Notice
For
Teamsters Pension Plan of Philadelphia & Vicinity

Introduction

This notice, which federal law requires all multiemployer plans to send annually, includes important information about the funding level of Teamsters Pension Plan of Philadelphia & Vicinity, Plan Number 001 and EIN 23-1511735 (Plan). This notice also includes information about rules governing insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning 1/1/2006 and ending 12/31/2006 (Plan Year).

Plan's Funding Level

The Plan's "funded current liability percentage" for the Plan Year was 57.5%. In general, the higher the percentage, the better funded the plan. The funded current liability percentage, however, is not indicative of how well a plan will be funded in the future or if it terminates. Whether this percentage will increase or decrease over time depends on a number of factors including how the plan's investments perform, what assumptions the plan makes about rates of return, whether employer contributions to the fund increase or decline, and whether benefit payments for the fund increase or decline.

Plan's Financial Information

The market value of the Plan's assets as of 1/1/2006 was $1,406,887,569. The total amount of benefit payments for the Plan Year was $129,308,850. The ratio of assets to benefit payments is 10.9. This ratio suggests that the Plan's assets could provide for approximately 11 years of benefit payments in annual amounts equal to what was paid out in the Plan Year. However, the ratio does not take into account future changes in total benefit payments or plan assets.

Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 X $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 X 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 X $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 X 10).

In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency. Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (i.e., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact Teamsters Pension Plan of Philadelphia & Vicinity at either (800) 523-2846 or (856) 382-2400, 6981 North Park Drive, Suite 400, Pennsauken, NJ 08109. For more information about the PBGC and multiemployer benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1 (800) 400-7242 (TTY/TDD users may call the Federal relay service toll free at 1 (800) 877-8339 and ask to be connected to 1 (800) 400-7242).

Teamsters Health and Welfare Fund
of Philadelphia and Vicinity

6981 N. PARK DRIVE, SUITE 400 • PENNSAUKEN, NJ 08109 • (856) 382-2400
TOLL-FREE 1-800-523-2846 • FAX (856) 382-2401 • www.teamsterfunds.com

SUMMARY ANNUAL REPORT FOR TEAMSTERS HEALTH & WELFARE FUND OF PHILADELPHIA & VICINITY

This is a summary of the Annual Report of the TEAMSTERS HEALTH & WELFARE FUND OF PHILADELPHIA & VICINITY (the "Fund"), a health, dental, vision, temporary disability and death benefits plan (employer identification number 23-1392600) for the plan year ending December 31, 2006. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA). The Fund has committed itself to pay certain dental, prescription, vision, medical, disability and death claims incurred under the terms of the plan.

Insurance Information

The plan has a contract with THE UNION LABOR LIFE INSURANCE COMPANY to pay certain death benefits claims incurred under the terms of the plan. The total premiums paid for the plan year ending 12/31/2006 were $670,954. Because it is a so called "experience-rated" contract, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending 12/31/2006, the premiums paid under such "experience-rated" contract were $670,954 and the total of all benefit claims paid under the experience-rated contract during the plan year was $550,628.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $25,033,738 as of the end of plan year, compared to ($18,363,053) as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of $43,396,791. (The Fund changed the reporting of benefit obligations on the 2006 Form 5500. For plan years prior to 2006, the Fund reported total benefit obligations as a liability. For the plan year ended 12/31/06, the Fund reported benefit obligations currently payable. Had the Fund reported only benefit obligations currently payable on the 2005 Form 5500, net assets would have been $5,970,000 with an increase in net assets during 2006 of $19,063,038. This change in reporting also resulted in an adjustment to benefits paid during the plan year 2006.)

This change includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of $110,341,419 including employer contributions of $100,830,683, employee contributions of $2,062,755, gains of $4,867,970 from the sale of assets, and earnings from investments of $2,580,011. Plan expenses were $96,192,050. These expenses included $3,331,617 in administrative expenses and $92,860,433 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report.
2. Financial information and information on payments to service providers.
3. Assets held for investment.
4. Loans or other obligations in default or classified as uncollectible.
5. Transactions in excess of 5 percent of the plan assets.
6. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of WILLIAM J EINHORN, the plan administrator, at 6981 NORTH PARK DRIVE, SUITE 400, PENNSAUKEN, NJ 08109 and phone number, 856-382-2400. The charge to cover copying costs will be $5.00 for the full annual report, or $0.10 per page for any part hereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 6981 NORTH PARK DRIVE, SUITE 400, PENNSAUKEN, NJ 08109, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

William J. Einhorn
Plan Administrator